

# CHAPMAN AND CUTLER

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1877-1943  
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RECORDATION NO. 21118-E, F FILED

March 16, 1998

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RECEIVED  
SURFACE TRANSPORTATION  
BOARD  
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Mr. Vernon A. Williams, Secretary  
Surface Transportation Board  
1925 K Street, N.W., Room 704  
Washington, D.C. 20423-0001

Re: NorRail, Inc. Leveraged Lease Financing  
of Railroad Rolling Stock  
(Second Closing)

Dear Mr. Williams:

I am enclosing for recording pursuant to Section 11301 of Title 49 of the United States Code, two copies of each of the documents described below. As an attorney representing one of the parties in this transaction, I have knowledge of the matters described in this letter.

The documents are as follows:

E → (1) Memorandum of Lease Supplement No. 2, dated March 16, 1998, between the Lessor and the Lessee; and

F → (2) Memorandum of Security Agreement Supplement No. 2, dated March 16, 1998, between the Debtor and the Security Trustee.

The primary documents to which the Memorandum of Lease Supplement No. 2 and the Memorandum of Security Agreement Supplement No. 2 are connected are the Memorandum of Lease and the Memorandum of Security Agreement, respectively, which were filed with the Surface Transportation Board on December 30, 1997.

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The names and addresses of the parties to the enclosed documents are as follows:

**E** MEMORANDUM OF LEASE SUPPLEMENT NO. 2

Lessor: Harris Trust and Savings Bank, not in its individual capacity,  
but solely as Owner Trustee under the Trust Agreement dated  
as of December 15, 1997  
311 West Monroe Street  
Chicago, Illinois 60603

Lessee: NorRail, Inc.  
308 Twelfth Avenue South  
Buffalo, Minnesota 55313

**F** MEMORANDUM OF SECURITY AGREEMENT SUPPLEMENT NO. 2

Debtor: Harris Trust and Savings Bank, not in its individual capacity,  
but solely as Owner Trustee under the Trust Agreement dated  
as of December 15, 1997  
311 West Monroe Street  
Chicago, Illinois 60603

Security Trustee: Wilmington Trust Company, not in its individual capacity,  
but solely as Security Trustee under the Security Agreement-  
Trust Deed dated as of December 15, 1997  
1100 North Market Street  
Wilmington, Delaware 19890-0001

The description of the Equipment covered as of the date hereof by the aforesaid Memorandum of Lease Supplement No. 2 and Memorandum of Security Agreement Supplement No. 2 is as set forth on Exhibit A hereto.

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A fee of forty-eight dollars (\$48.00) is enclosed. Please time and date stamp the enclosed copy of each of the enclosed documents along with the extra copy of this letter as proof of filing and recordation of the enclosed documents and return the original and any extra copies of such documents and this letter not needed by the Board for recordation to:

Sean T. Maloney, Esq.  
Chapman and Cutler  
111 West Monroe  
Chicago, Illinois 60603

A short summary of each of the documents to appear in the index follows:

**E** (1) MEMORANDUM OF LEASE SUPPLEMENT NO. 2:

Memorandum of Lease Supplement No. 2 between Harris Trust and Savings Bank, as Lessor, 311 West Monroe Street, Chicago, Illinois 60603 and NorRail, Inc., as Lessee, 308 Twelfth Avenue South, Buffalo, Minnesota 55313, dated March \_\_, 1998, covering railroad rolling stock bearing the road numbers listed in the exhibit thereto. Memorandum of Lease Supplement No. 2 is related to the Memorandum of Lease between the Lessor and the Lessee dated as of December 30, 1997, which was filed with the Surface Transportation Board on December 30, 1997.

**F** (2) MEMORANDUM OF SECURITY AGREEMENT SUPPLEMENT NO. 2:

Memorandum of Security Agreement Supplement No. 2 between Harris Trust and Savings Bank, as Debtor, 311 West Monroe Street, Chicago, Illinois 60603 and Wilmington Trust Company, as Security Trustee, 1100 North Market Street, Wilmington, Delaware 19890-0001, dated March \_\_, 1998, covering the obligations of the Debtor relating to railroad rolling stock bearing road numbers listed in the exhibit thereto. The Memorandum of Security Agreement Supplement No. 2 is related to the Memorandum of Security Agreement between the Debtor and the Security Trustee, dated as of December 30, 1997, which was filed with the Surface Transportation Board on December 30, 1997.

CHAPMAN AND CUTLER

If you have any questions or need further information, please do not hesitate to contact the undersigned (312-845-3844).

Sincerely,

CHAPMAN AND CUTLER

By Sean T. Maloney  
Sean T. Maloney

STM/jem  
Enclosure

## EXHIBIT A

EQUIPMENT	QUANTITY	ROAD NUMBERS
110 ton 52'6" (286,000 lb.) GRL mill gondola railroad cars manufactured in 1998 by Trinity Industries.	225	CH TT 286300 through CH TT 286524, inclusive
110 ton 52'6" (286,000 lb.) GRL mill gondola rail cars manufactured in 1997 by Trenton Works Ltd.	2	CR 585538 and CR 585699

MAR 16 '98

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## MEMORANDUM OF SECURITY AGREEMENT SUPPLEMENT NO. 2

MEMORANDUM OF SECURITY AGREEMENT SUPPLEMENT NO. 2, made and entered into on March 16, 1998 by and between HARRIS TRUST AND SAVINGS BANK, an Illinois banking corporation, not in its individual capacity but solely as Owner Trustee under the Trust Agreement dated as of December 15, 1997, as Debtor (the "Debtor") and WILMINGTON TRUST COMPANY, a Delaware corporation, as Security Trustee (the "Security Trustee").

## WITNESSETH:

1. The undersigned have entered into that certain Security Agreement-Trust Deed (the "Security Agreement"), dated as of December 15, 1997 and that certain Security Agreement Supplement No. 1 (the "Supplement No. 1") dated December 30, 1997 by which the Debtor has granted a security interest to the Security Trustee in order to secure the Debtor's performance of certain obligations as described in the Security Agreement.

2. A memorandum of said Security Agreement and said Supplement No. 1 were recorded with the Surface Transportation Board on December 30, 1997 at 2:00 p.m. under recordation number 21118-A and recordation number 21118-C, respectively, pursuant to Section 11301 of Title 49 of the United States Code.

3. The undersigned have entered into that certain Security Agreement Supplement No. 2, dated March 16, 1998, relating to the above-described Security Agreement and extending the Debtor's grant of a security interest therein to railroad rolling stock bearing road numbers as listed on Exhibit A attached hereto.

IN WITNESS WHEREOF, the parties hereto have each caused this memorandum to be duly executed by their respective officers duly authorized as of the date and year first above written.

HARRIS TRUST AND SAVINGS BANK, not in its individual capacity but solely as Owner Trustee under the Trust Agreement dated as of December 15, 1997

By J. Bartolini

Name: J. BARTOLINI

Title: VICE PRESIDENT

Executed on this \_\_\_ day of March, 1998.

WILMINGTON TRUST COMPANY, not in its individual capacity but solely as Security Trustee under the Security Agreement - Trust Deed dated as of December 15, 1997

By Emmett R. Harmon

Name: EMMETT R. HARMON

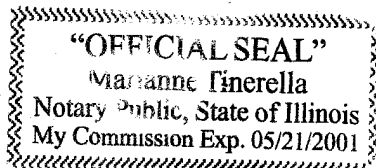
Title: VICE PRESIDENT

Executed on this \_\_\_ day of March, 1998.

STATE OF ILLINOIS     )  
                                      ) SS.:  
COUNTY OF COOK     )

On this, the 12 day of March, 1998, before me, a Notary Public in and for said County and State, personally appeared J. BARTOLINI, who being by me duly sworn, says that (s)he is the VICE PRESIDENT of HARRIS TRUST AND SAVINGS BANK, not in its individual capacity but solely as Owner Trustee under the Trust Agreement dated as of December 15, 1997, that said instrument was signed on March    , 1998 on behalf of said corporation by authority of its Board of Directors, and (s)he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation, as Owner Trustee.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the date above mentioned.



M. Finerella  
Name: M. TINERELLA  
Notary Public  
My Commission Expires: 5-21-01  
Residing in Cook County IL

STATE OF Delaware     )  
                                      ) SS.:  
COUNTY OF New Castle     )

On this, the 4th day of March, 1998, before me, a Notary Public in and for said County and State, personally appeared Emmett R. Hammon, who being by me duly sworn, says that (s)he is the Vice President of WILMINGTON TRUST COMPANY, not in its individual capacity but solely as Security Trustee under the Security Agreement - Trust Deed dated as of December 15, 1997, not in its individual capacity but solely as Security Trustee under the Security Agreement-Trust Deed dated as of December 15, 1997, that said instrument was signed on March 4, 1998 on behalf of said corporation by authority of its Board of Directors, and (s)he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the date above mentioned.

Patricia Pierce  
Name: PATRICIA PIERCE  
Notary Public  
My Commission Expires:      
Residing in      
**NOTARY PUBLIC - DELAWARE**  
My commission expires Aug. 22, 2000

## EXHIBIT A

EQUIPMENT	QUANTITY	ROAD NUMBERS
110 ton 52'6" (286,000 lb.) GRL mill gondola railroad cars manufactured in 1998 by Trinity Industries.	225	CH TT 286300 through CH TT 286524, inclusive
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